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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

PAID-UP OIL AND GAS LEASE L0244019 (No Surface Use)

Electronically Recorded Chesapeake Operating, Inc.

THIS LEASE AGREEMENT is made this day of About the community property, whose address 2735 Furlong Dr., Grand Prairie, TX 75051, as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Okiehome limited liability company, whose address is P.O. Box 18496, Okiehome City, Okiehome 73154-0496, as Lessoe. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

<u>0.1205</u> scres of land more or less, being Lot 6, Block 3, Southwest Village Phase 1, Addition to the City of Grand Prairie, being a tract of land out of the T. Holland Survey, Abstract No. 750, according to the Map thereof recorded in Cabinet A, Silde 10482, of the Plat Records of Tarrant County, Texas, and being more particularly described in Document No. D208378847 of the Deed Records, Terrant County, Texas.

in the County of Tarrant, State of TEXAS, containing <u>0.1205</u> gross acree, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or percels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

- omed by Lesser which has configuration or adjacent to the above-described instruction of the process of present and the contraction of the process of present and the contraction of the process of present and the contraction of the process of present and the present of the pre

Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lesse, the ob-pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferse in proportion to the net acreage interest in this lesse then held by each e, the obligation to

- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionalely reduced
- No. Lessee releases all or an undivided interest in less than all of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced in accordance with the net accraege interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unlitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress elong with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, sicre, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or clands probed therewith, the ancillary rights granted hereit shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial releases or clands pooled therewith, the ancillary rights granted hereit shall apply (a) to be entire leased premises or clands problem or other lands, and to commercial inthe and confidence or lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements on other lands used by Lessee hereunder, without lessor's consent, an

- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shuf-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shuf-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding envithing contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the lessed premises for drilling or other operations.
- operations.
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term a sum of \$500/acre along with the same terms and conditions as granted for this
 - 18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other

| IN WITNESS WHEREOF, this lease is executed to be effective heirs, devisees, executors, administrators, successors and assigns, | | |
|--|--|--|
| LESSOR (WHETHER ONE OR MORE) Willia Flowers WILLIS FLOWERS |) | anessa Florivers |
| STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the | ACKNOWLEDGMENT _day of | .LIS FLOWERS. |
| MARY AZALEA ABBOTT Notary Public, State of Texas My Commission Expires October 23, 2011 | Notary's name (print | of Texas of Texas edi-many azahea al-town expires: 10.23-2011 |
| COUNTY OF TARRANT This instrument was acknowledged before me on the | Notary Public, State Notary's name (print | nessa Flowers. Czalen abbot Otexas Otexas |
| MARY AZALEA ABBOTT Notary Public, State of Texas My Commission Expires October 23, 2011 | Notary's commission | Record & Return to: Chestinal Opening, Inc. P.O. box 10-196 |
| STATE OF TEXAS | RECORDING INFORMATION | Oklahoma City, JK 73154 |
| This instrument was filed for record on the, of the, of the, | day of, 20 | , at o'clockM., and duly |
| | 6. . | |

Clerk (or Deputy)